


SEARCH

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ANALYSIS



# ericena

EUROPEAN RESEARCH AND  
INNOVATION CENTRE  
OF EXCELLENCE IN CHINA

## D7.1 – Contingency Plan



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## Intro Sheet and Table

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**Dissemination and uptake:** This report is confidential only for members of the consortium (including the Commission Services). It shall be used by all partners within the project.

**Short summary of results:** The Deliverable D7.1 gathers the results and outcomes of task 7.2 referent to Work Package 7. Therefore, this deliverable includes: 1. the methodology used for the execution of the Contingency Plan and Risk Analysis for the Centre; and 2. the results of the analysis.

**Evidence of accomplishment:** Report

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## Introduction





## 1. Introduction

The Deliverable D7.1 Contingency Plan pertains to WP7, which is part of the setup activities of the European Network of Research and Innovation Centres and Hubs (ENRICH) that aims to establish all the necessary mechanisms to ensure its long-term sustainable operation and service provision towards enhancing and promoting European research and innovation excellence in China.

The objective of task 7.2, to which this deliverable refers, is to establish an effective risk management and contingency plan that enables ENRICH to collect assess and continuously monitor risks that could endanger the achievement of the Centre's goals within the projected time, quality or cost. This task is closely related to WP1, as it uses as valuable input the analysis of the Chinese STI market as well as the definition of internal strengths and weaknesses. The contents of this report have been elaborated during the Project Year 1 (M1-M12). Hence, the project milestone **Risk Analysis** (MS 19) has been accomplished successfully.

### Methodological Approach

Risk assessment and contingency planning is a forward looking step to identify risks that might occur and to mitigate management procedures and responsibilities, as well as what should be the appropriate countermeasures to be executed if necessary. Every business needs a risk management plan, regardless of the size or the purpose of the organisation. Thus, for the execution of this task, ENRICH in China's risk analysis followed a solid process of risk identification, through the STI Landscape analysis and recognition of ENRICH's main strengths and weaknesses based on the business model analysis.

The following three main steps were followed: **identification**, **classification** and **response** to major risks that can influence the outcomes of ENRICH in China (see Figure 1).

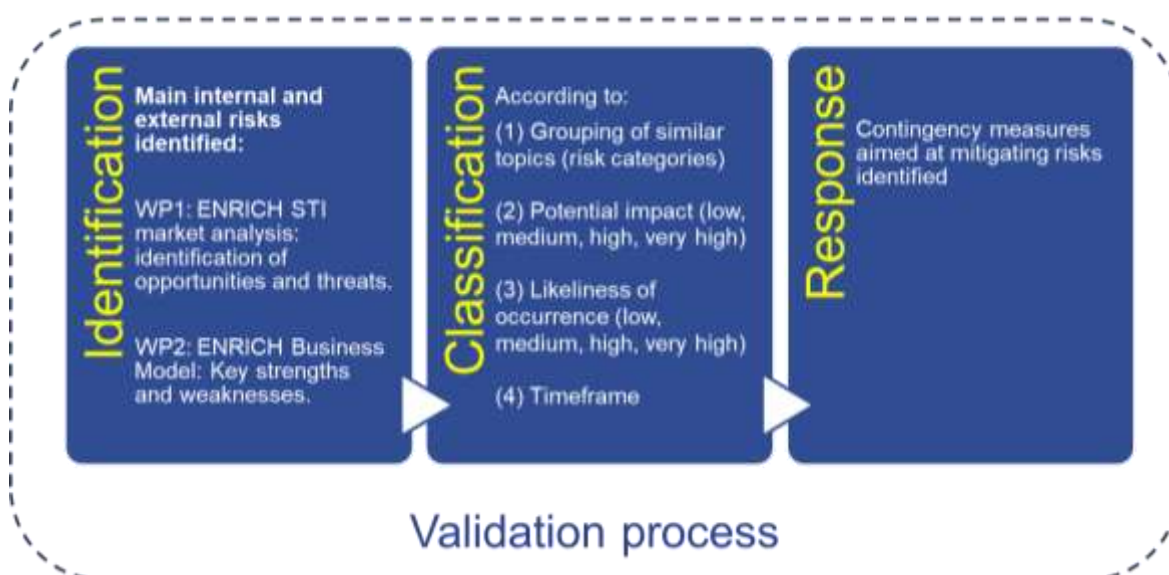


Figure 1: Risk Analysis and Contingency Plan - Process

Risk Identification is about uncovering risks before they turn into problems. Therefore, the risks identification phase of the validation process includes the identification of main internal and external **risk categories** that may affect ENRICH in China and convert them into **possible cases** and **potential impacts**. The next step is the classification phase that comprises the allocation of the risk categories into established criteria, such as the **relevance for EU or China, likelihood of occurrence, impact for ENRICH** and **timeframe**. In sequence, appropriate **contingency measures** were elaborated and the **partners involved** were identified according to the potential occurrence of each risk.

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## Risk Analysis and Contingency Measures





## 2. Risk Analysis and Contingency Measures

The risk analysis of ENRICH in China uses as structural base the four spheres of its Business and Value Creation Model, as well as the analysis of the macro-level risk factors that could affect the Centre (see Figure 2). Therefore, in the following subchapters, all risk categories identified for each sphere, together with the macro-level risks, are presented and explained following the methodology previously elucidated.

The analysis is presented in Tables 2 to 5 by identifying, for each risk category, the respective cases, degree of relevance to EU and China, likeliness of occurrence, degree of impact and timeframe. Next, the risk categories are explained more in detail describing the potential impact, contingency measures and partners involved identified for each case.

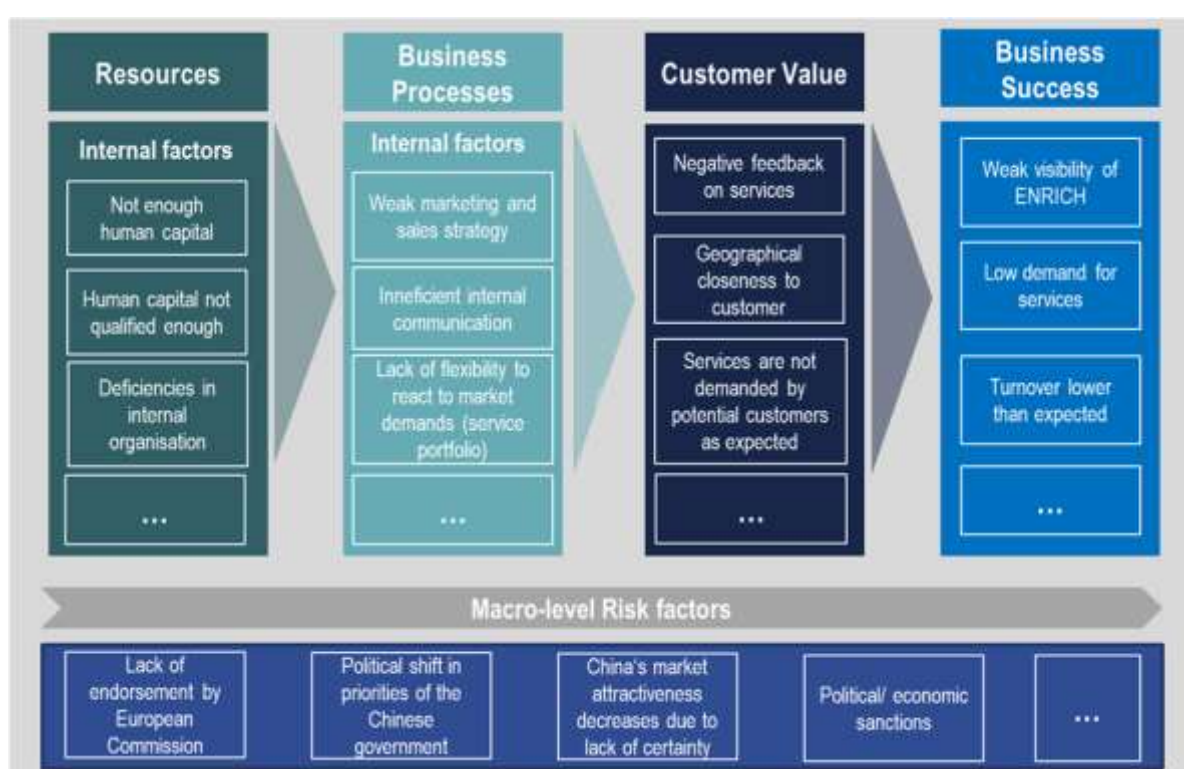


Figure 2: ENRICH in China Business/Value Creation Model

## 2.1 Resources

### 2.1.1 Overview: Risk Categories for Resources

Table 1: Risk Analysis for Resources

RESOURCES				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
Risk Category 1: Not enough human capital				
Difficulty in recruiting	China	average	high	2018-19
Recruited staff quits during the probation period	China	average	very high	from 2019 onwards
General Manager quits	China	average	very high	from 2019 onwards
No budget to recruit new staff necessary	EU	low	very high	from 2019 onwards
	China			
Risk Category 2: Human capital not qualified enough				
Difficulty in recruiting qualified staff	EU	low	very high	ongoing
	China	average	very high	from 2019 onwards
Difficulty in recruiting staff for a very specific service	EU	average	very high	ongoing
Recruited staff turns not as qualified as expected	EU	low	high	ongoing
Recruited staff needs to be trained	China	average	low	ongoing
Risk Category 3: Deficiencies in internal organisation				
More orders than staff available	EU	high	very high	ongoing
Lack of mentoring on site for new staff	China	average	high	ongoing
Internal procedures not clearly defined	China	low	very high	ongoing
Internal structure not clearly defined	China	average	very high	ongoing

RESOURCES				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
<b>Risk Category 4: Financial resources</b>				
Available ERICENA project budget to be used over the first 4 years relatively small	EU	low	very high	from 2020 onwards
	China	average	very high	from 2020 onwards

### 2.1.2 Risk Category 1: Not enough human capital

**Case 1:** Difficulty in recruiting: candidates not satisfied with conditions offered.

**Potential Impact**

Delay in the conduction of services or even delay in the operational start of the offices.

**Contingency Measures**

- Good preparation: clear understanding of the profile and necessary qualifications when starting the recruitment process.
- Clear and realistic communication of working conditions and desired achievements.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Recruited staff suddenly quits during the probation period (Chinese standards: only 3 days written notice).

**Potential Impact**

Delay in the conduction of services and the operational roll-out.

**Contingency Measures**

- Keep useful backup profiles of candidates that were not selected but still gave a suitable impression.
- Expect ERICENA project partners to support ENRICH in China staff until position can be filled again.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** General Manager quits (Chinese standards: 30 days written notice).

**Potential Impact**

Main decision maker with expert knowledge is missing, which can cause delay of services and loss of clients.

**Contingency Measures**

- a) Keep useful backup profiles of candidates that were not selected but still gave a suitable impression.
- b) Always keep a close communication of the GM with ENRICH in China owners to avoid the monopoly of knowledge and allow owners to be interim managers until the position is replaced.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 4:** If budget only service-based: No budget to recruit new staff necessary to cope with client demand.

**Potential Impact**

Some clients' request would have to be delayed and possibly turned down, resulting in clients turning to concurrence or not asking us again later.

**Contingency Measures**

Define a revenue model which is based on a financing mix.

**Partners involved**

IPK, S2i, feedback from ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

### 2.1.3 Risk Category 2: Human capital not qualified enough

**Case 1:** Difficulty in recruiting staff: candidates not qualified enough for ENRICH standards.

**Potential Impact**

Delay in the ENRICH operation; delay in services implementation and low quality of the service.

**Contingency Measures**

EU: (a) Many services are offered by European ERICENA project partners, so there is a high certainty that their qualifications meet the necessary standards. (b) External European service providers should demonstrate a history track of experience in the offered service before being allowed to implement services within ENRICH.

CHINA: Chinese administrative staff with international/EU work experience and excellent English skills will be needed.

**Partners involved**

EU: ENRICH (European] owners (in the first stage of the process ERICENA Steering Committee).

CHINA: SPI, feedback from ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Difficulty in recruiting staff: pool of qualified candidates for a very specific service too small.

**Potential Impact**

Service cannot be offered or with delays, which could discourage clients from demanding the service. It might be as well the case that clients set high expectations on ENRICH in helping them with the very specific services, as it could be rarer to find support.

**Contingency Measures**

- a) Early assessment if it is actually possible to offer the service at all before disseminating it and create wrong expectations.
- b) Intensive recruitment.
- c) If expert doesn't need to be hired permanently it might be possible to agree on a project-based cooperation.

**Partners involved**

SPI, feedback from ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Recruited staff turns not as qualified as expected, services still have to be conducted.

**Potential Impact**

Client is waiting, could be lost as a client, negative reputation.

**Contingency Measures**

- a) Support the expert internally in the best way possible to fulfil pending service.
- b) Train the expert.
- c) If no improvement after a+b: replacement or quit cooperation.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 4:** Recruited staff needs to be trained in order to keep up with developments in their fields.

**Potential Impact**

Staff is having outdated expertise or skills, which could endanger the successful endeavour of ENRICH.

**Contingency Measures**

Plan regular training measures for staff in headquarters and hubs.



**Partners involved**

SPI, ENRICH (Chinese) owners (in the first stage of the process ERICENA Steering Committee).

**2.1.4 Risk Category 3: Deficiencies in internal organisation**

**Case 1:** Suddenly more orders than staff available to conduct the services.

**Potential Impact**

Waiting clients, risk of losing clients.

**Contingency Measures**

- a) Clear distribution of responsibility.
- b) Realistic timely planning, incl. backup staff.
- c) Active role of service coordinators.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee) Risk Category – Financial resources.

**Case 2:** Lack of mentoring on site for new staff (no clear structure or lack of time to incorporate staff properly).

**Potential Impact**

Different levels of quality in the work execution which can result in a poor image of the overall quality of ENRICH.

**Contingency Measures**

- a) Creation of a training plan for new staff.
- b) Identification of managers as contact person for new staff.

**Partners involved**

ENRICH (Chinese) owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Internal procedures not clearly defined.

**Potential Impact**

Mismanagement of resources (staff, money), loss of clients.

**Contingency Measures**

- a) Clear distribution of responsibility.
- b) Regular communication and exchange between all involved staff in the headquarter and hubs, as well as with owners.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 4:** Internal structure not clearly defined (who reports to whom, who is responsible for what, etc.).

**Potential Impact**

Lack of reporting and loss of information.

**Contingency Measures**

- a) Definition of managers and assistants.
- b) Assign reporting roles.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

### 2.1.5 Risk Category 4: Financial resources

**Case 1:** Available ERICENA project budget to be used over the first 4 years relatively small.

**Potential Impact**

ENRICH is not operating as planned by the end of the ERICENA project period, due to lack of fully established capacities, weak management structures and/or low awareness and acceptance of the centre.

**Contingency Measures**

EU: it is essential to concentrate high efforts from the start into centre's visibility and quality of services so that European clients trust in the competencies of ENRICH.  
CHINA: conservative planning in the financial growth of ENRICH.

**Partners involved**

EU: ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).  
CHINA: IPK, S2i, feedback from ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

## 2.2 Business Processes

### 2.2.1 Overview: Risk Categories for Business Processes

Table 2: Risk Analysis for Business Processes

BUSINESS PROCESSES				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
Risk Category 1: Service Development				
Lack of clarity on each partners' role (service coordinator vs. Implementing partner)	EU	low	high	ongoing
Lack of common basis for preparing quotations	Both	average	average	ongoing
Lack of methodological approaches to deliver the services	Both	average	high	ongoing
Risk Category 2: Weak marketing and sales strategy				
Marketing and dissemination of information is too vaguely diffused	EU	average	average	ongoing
	China	average	average	ongoing
Misunderstanding on the content of ENRICH services	EU	average	high	ongoing
	China	average	high	ongoing
Misunderstanding among the target group in pricing models for services	EU	average	average	ongoing
	China	average	average	ongoing
Low rate of members in the ENRICH network	EU	average	low	ongoing
	China	low	high	ongoing
Low numbers in service demand	EU	high	very high	From 2019 onwards
	China	average	high	
Risk Category 3: Inefficient internal communication				
Differences in the understanding of processes and services among staff	EU	high	high	ongoing
	China	average	high	ongoing

BUSINESS PROCESSES				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
Lack of communication between headquarter & hubs	China	average	high	ongoing
Decrease of general exchange on experiences or feedback on implemented services among staff and service implementers	China	average	average	ongoing
<b>Risk Category 4: Lack of flexibility to react to market demands (service portfolio)</b>				
Feedback from clients (e.g. through feedback forms) suggests improvement/ modification of existing services in ways not foreseen at that moment by ENRICH	EU	low	average	ongoing
Feedback from clients (e.g. through feedback forms) suggests new additional services for which ENRICH does not offer the expertise at that moment	EU	low	average	From 2019 onwards
Individual service or support demand reaches ENRICH (e.g. request via e-mail), for which ENRICH does not offer the expertise at that moment	EU	high	average	ongoing
Competitors successfully introduce new services which could actually complement the ENRICH service portfolio	EU	average	average	ongoing
	China	low	average	ongoing
Demand for specific services is too high to be covered with existing ENRICH capacities	EU	high	very high	Esp. 2018-19, ongoing
	China	high	very high	Esp. 2018-19, ongoing
New thematic priorities and trends cause a shift in demand	EU	low	average	From 2019 onwards
	China	low	average	
New implementation methods (e.g. for trainings) arise that could increase the attractiveness of ENRICH services	EU	low	average	ongoing
	China	low	average	

BUSINESS PROCESSES				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
<b>Risk Category 5: Expansion of ENRICH network lags behind own expectations</b>				
Originally foreseen organisations do not confirm their participation to the network	Both	high	very high	ongoing
Organisations having joined the network play a rather passive role	Both	high	very high	From 2019 onwards
Hubs are not launched according to schedule	China	high	very high	From 2019 onwards
<b>Risk Category 6: Difficulties in the establishment of the legal entity and its future operation</b>				
Legal difficulties	China	average	average	Esp. 2018-19, ongoing
Lack of physical presence	China	low	low	ongoing
Disagreements on revenue flows	China	average	average	Esp. 2018-19, ongoing

## 2.2.2 Risk Category 1: Service Development

**Case 1:** Lack of clarity on each partners' role (service coordinator vs. Implementing partner).

**Potential Impact**

Loss of time and resources, missed business opportunities from unnecessary delay.

**Contingency Measures**

Clear assignment of roles and reporting hierarchies.

**Partners involved**

Service coordinators and implementing partners.

**Case 2:** Lack of common basis for preparing quotations.

**Potential Impact**

Unequal quotations for the same service can cause a financial loss for the centre and at the same time different clients pay different sums for the same service.



### **Contingency Measures**

Universal template for offers and quotations.

### **Partners involved**

SPI, feedback from ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Lack of methodological approaches to deliver the services.

### **Potential Impact**

Different service providers interpret content of a single service differently, which can cause strong disparities in output a client is getting from this service.

### **Contingency Measures**

Before service is implemented: to clearly define service and its modules (goal, objective, implementation steps, methods used, outcomes, timeframe of modules).

### **Partners involved**

Service coordinators and implementing partners.

## **2.2.3 Risk Category 2: Weak marketing and sales strategy**

**Case 1:** Marketing and dissemination of information is too vaguely diffused.

### **Potential Impact**

Target groups are not well reached.

### **Contingency Measures**

EU: (a) Involvement of EU partners in dissemination activities. (b) It should be analysed if certain sectors/regions/actors are missing in the campaigns.

CHINA: (a) Involvement of Chinese partners in dissemination activities. (b) It should be analysed if certain sectors/regions/actors are missing in the campaigns.

### **Partners involved**

EU: ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

CHINA: ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Misunderstanding on the content of ENRICH services.

### **Potential Impact**

Target groups do not see the added value of a service for themselves, low number of inquiries.

### **Contingency Measures**

EU: Improvement of content description.

CHINA: (a) Improvement of content description. (b) Development of dissemination materials highlighting esp. benefits for Chinese clients. (c) More Chinese translations.

**Partners involved**

EU: SPI, EBN, feedback from ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

CHINA: SPI, EBN, feedback from ENRICH [especially Chinese] owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Misunderstanding among the target group in pricing models for services.

**Potential Impact**

Confusion or disappointment by a client, service agreements could not be signed in the last minute.

**Contingency Measures**

- a) Clear pricing policy and transparency required for all services.
- b) Develop a professional and clear template for quotations.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 4:** Low rate of members in the ENRICH network.

**Potential Impact**

Missing (but planned) revenue from membership fees could endanger the financial capacity of the centre.

**Contingency Measures**

EU: (a) Continuous dissemination of the advantages to join. (b) Participation to strategic events should be considered.

CHINA: (a) continuous dissemination of the advantages to join. (b) Proactively approach strategically relevant actors with a high added value for the network.

**Partners involved**

EU: EBN, feedback from ENRICH (European] owners (in the first stage of the process ERICENA Steering Committee).

CHINA: EBN, SPI, feedback from ENRICH [especially Chinese] owners (in the first stage of the process ERICENA Steering Committee).

**Case 5:** Low numbers in service demand.

**Potential Impact**

Break-down of revenues endanger the existence of ENRICH.

**Contingency Measures**

- a) Analysis of weak links in the outreach.
- b) Re-assessment of pricing model.

c) Analysis if service offer meets demand: Consideration of modified/new services.

**Partners involved**

SPI, feedback from ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

## 2.2.4 Risk Category 3: Inefficient internal communication

**Case 1:** Differences in the understanding of processes and services among staff.

**Potential Impact**

Misinterpretations can lead to wrong internal actions or the provision of different information to clients on the same matter, in the worst case they can endanger ENRICH operations.

**Contingency Measures**

EU: It is essential to keep ENRICH partners from Europe up to date with regular communication.

CHINA: Regular communication and exchange, especially on new developments.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Lack of communication between headquarter and hubs.

**Potential Impact**

Delays, double work or loss of quality within the internal organisation.

**Contingency Measures**

Introduce management and communication mechanisms that allow regular exchange.

**Partners involved**

SPI, ENRICH staff in China, feedback from ENRICH [especially Chinese] owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Decrease of general exchange on experiences or feedback on implemented services among staff and service implementers.

**Potential Impact**

Quality of services can vary or decrease or even lead to a lower demand for them.

**Contingency Measures**

Set regular dates for meetings and define for whom attendance is mandatory.

**Partners involved**

SPI, ENRICH staff in China, feedback from ENRICH [especially Chinese] owners (in the first stage of the process ERICENA Steering Committee).

### 2.2.5 Risk Category 4: Lack of flexibility to react to market demands (service portfolio)

**Case 1:** Feedback from clients (e.g. through feedback forms) suggests improvement/modification of existing services in ways not foreseen at that moment by ENRICH.

**Potential Impact**

Decreasing demand of existing service or negative reputation if suggestions for improvement are not taken seriously.

**Contingency Measures**

Feedback should be provided to service coordinator and service implementing partners in order to assess the necessity for improvements.

**Partners involved**

Service coordinators and implementing partners.

**Case 2:** Feedback from clients (e.g. through feedback forms) suggests new additional services for which ENRICH does not offer the expertise at that moment.

**Potential Impact**

Missing of market expansion opportunities.

**Contingency Measures**

- a) Assessment if there is sufficient overall demand of such new service and if it fits into the ENRICH portfolio.
- b) Assessment of the potential capacities needed to incorporate new service.

**Partners involved**

Service coordinators, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Individual service or support demand reaches ENRICH (e.g. request via e-mail), for which ENRICH does not offer the expertise at that moment.

**Potential Impact**

Loss of a potential client, missing of market expansion opportunities.

**Contingency Measures**

- a) Clear and visible advertising of ENRICH portfolio to avoid getting inquiries which cannot be handled.
- b) Documentation of such inquiries to keep them in mind for a potential expansion of the service portfolio.

**Partners involved**

SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 4:** Competitors successfully introduce new services which could actually complement the ENRICH service portfolio.

**Potential Impact**

Loss of potential clients and market shares.

**Contingency Measures**

- a) Assess actual demand for this service.
- b) Assessment if this service or an adaption of it could also be incorporated into the ENRICH portfolio.

**Partners involved**

Service coordinators, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 5:** Demand for specific services is too high to be covered with existing ENRICH capacities

**Potential Impact**

Long waiting period of clients to be served or clients declining their requests; loss of income; this risk is especially critical in the early phases of ENRICH when there is still not a lot of experience with the services implementation and demand is difficult to be estimated, while at the same time, the financial capacities are more limited.

**Contingency Measures**

- a) Standardized processes (e.g. fix max. number of days for providing a reply to a customers' enquiry or for sending a quotation) must be put in place.
- b) Outsourcing of service to external service provider.
- c) Keep a pool of backup providers.

**Partners involved**

Service coordinators, service providers, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee)

**Case 6:** New thematic priorities and trends cause a shift in demand.

**Potential Impact**

Missing of market expansion opportunities.

**Contingency Measures**

Regular assessment open trends.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 7:** New implementation methods (e.g. for trainings) arise that could increase the attractiveness of ENRICH services.

**Potential Impact**

Low demand of services due to outdated implementation methods.



**Contingency Measures**

- a) Assess feedback given on services.
- b) Monitoring of methodological trends.
- c) Train-the-trainer.

**Partners involved**

Service coordinators.

## **2.2.6 Risk Category 5: Expansion of ENRICH network lags behind own expectations**

**Case 1:** Originally foreseen organisations do not confirm their participation to the network.

**Potential Impact**

Loss of strategically interesting cooperation partner, his thematic expertise and regional coverage.

**Contingency Measures**

- a) No wrong expectations from the beginning: inform potential member on all aspects of the network membership.
- b) Follow up to learn lessons.
- c) Monitoring to find alternative organisation.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Organisations having joined the network play a rather passive role.

**Potential Impact**

The network loses its attractiveness, existing members quit their membership, new ones don't see an added value to join - financial losses for ENRICH.

**Contingency Measures**

- a) Regular monitoring on membership rates, feedback mechanisms.
- b) Maintain a mix of services and features (exclusively) for members.

**Partners involved**

SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Hubs are not launched according to schedule.

**Potential Impact**

Financial losses of planned revenue, inadequate coverage of key regions (and sectors).

### **Contingency Measures**

- a) Realistic planning on the feasibility (how many hubs fulfilling the ENRICH requirements can be identified at all and are necessary for a successful network?).
- b) Early approach of hubs, clear communication of duties and other requirements.

### **Partners involved**

SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

## **2.2.7 Risk Category 6: Difficulties in the establishment of the legal entity and its future operation**

**Case 1:** Legal difficulties.

### **Potential Impact**

Ultimately, if not considered right from the start they could endanger the whole operation of ENRICH.

### **Contingency Measures**

Consult lawyers specialized on Chinese business laws.

### **Partners involved**

EBN, FFG, feedback from ENRICH [especially Chinese] owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Lack of physical presence.

### **Potential Impact**

Interesting regions might be more difficult to be attracted to ENRICH.

### **Contingency Measures**

Find suitable cooperation hubs.

### **Partners involved**

SPI, ENRICH staff in China, feedback from ENRICH [especially Chinese] owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Difficulties in the establishment of the legal entity and its future operation – Disagreements on revenue flows.

### **Potential Impact**

Conflicts between owners, headquarter and hubs could endanger the whole operation of ENRICH.

### **Contingency Measures**

Clarify revenue flows in written agreements and contracts.

### **Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

## 2.3 Customer Value

### 2.3.1 Overview: Risk Categories for Customer Value

Table 3: Risk Analysis for Customer Value

CUSTOMER VALUE				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
<b>Risk Category 1: Negative feedback on services</b>				
Client was not satisfied with the (implementation) quality	Both	average	average	ongoing
Client expected deeper insights or more information than provided	Both	average	average	ongoing
Duration until the actual delivery of a service in the eyes of the client too long (e.g. for studies)	Both	low	low	ongoing
Value for money ratio was not met for the client (service too expensive)	Both	average	high	ongoing
Client expected different content of a service	Both	average	average	ongoing
Disappointment of the client in the quality of communication with ENRICH staff and service providers	Both	average	average	ongoing
<b>Risk Category 2: Geographical closeness to client</b>				
The client faces high travel costs in order to attend a desired service where physical presence is necessary	Both	high	high	ongoing
Location of a service was very inconvenient to be reached	Both	high	high	ongoing

### 2.3.2 Risk Category 1: Negative feedback on services

**Case 1:** Client was not satisfied with the (implementation) quality.

**Potential Impact**

Client will not demand further services, negative reputation of ENRICH could spread.

**Contingency Measures**

- a) Take feedback seriously and improve service quality.
- b) Establish personal contact to client and explore in detail reasons for dissatisfaction.

**Partners involved**

Service coordinators and service providers.

**Case 2:** Client expected deeper insights or more information than provided.

**Potential Impact**

Client will not demand further services, negative reputation of ENRICH could spread.

**Contingency Measures**

- a) Take feedback seriously and improve service quality.
- b) Establish personal contact to client and explore in detail reasons for mismatch on expectations.

**Partners involved**

Service coordinators and service providers.

**Case 3:** Duration until the actual delivery of a service in the eyes of the client too long (e.g. for studies).

**Potential Impact**

Client will not demand further services, negative reputation of ENRICH could spread.

**Contingency Measures**

- a) Definition of clear timeframe and involvement of client in the process.
- b) Assess whether timely planning for the implementation was realistic or if further expertise is necessary in order to speed up delivery.

**Partners involved**

Service coordinators and service providers.

**Case 4:** Value for money ratio was not met for the client (service too expensive).

**Potential Impact**

Client will not demand further services, negative reputation of ENRICH could spread.

**Contingency Measures**

- a) Evaluate if pricing model for a service can be adapted.
- b) Clear communication of expected service results to the client when a service agreement is made.

**Partners involved**

Service coordinators and service providers.

**Case 5:** Client expected different content of a service.

**Potential Impact**

Client will not demand further services, negative reputation of ENRICH could spread.

**Contingency Measures**

- a) Clear communication of expected service results to the client when a service agreement is made.
- b) Quotation must entail clear and transparent descriptions on service provision and corresponding prices.

**Partners involved**

Service coordinators and service providers.

**Case 6:** Disappointment of the client in the quality of communication with ENRICH staff and service providers.

**Potential Impact**

Client will not demand further services, negative reputation of ENRICH could spread.

**Contingency Measures**

Clear roles of staff in the communication with staff and regular updates so that staff in touch with clients communicates the latest information.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

### 2.3.3 Risk Category 2: Geographical closeness to client

**Case 1:** The client faces high travel costs in order to attend a desired service where physical presence is necessary.

**Potential Impact**

Although interest is there, low demand for such services.

**Contingency Measures**

- a) Continuous expansion of network of collaborating stakeholders in Europe, China, and other countries.
- b) Offer services in both China and Europe and within these regions in different locations.

**Partners involved**

Service coordinators and service providers.

**Case 2:** Location of a service was very inconvenient to be reached.

**Potential Impact**

Although interest is there, low demand for such services.

**Contingency Measures**

- a) Development of synergies with other European stakeholders also involved in this field of operations.



- b) Choose locations (countries and cities) that are easily reached with common transportation means (e.g. organise a service in the capital, not on the countryside).

**Partners involved**

Service coordinators and service providers.

## 2.4 Business Success

### 2.4.1 Overview: Risk Categories for Business Success

Table 4: Risk Analysis for Business Success

BUSINESS SUCCESS				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
<b>Risk Category 1: Weak visibility of ENRICH</b>				
The initial awareness is very low since ENRICH is a new entity	Both	high	high	Esp. 2018 - 2019
Some target countries/regions are only partly covered by ENRICH dissemination activities	Both	high	high	Esp. 2018 - 2019
Some target sectors are only partly covered by ENRICH dissemination activities	Both	high	high	Esp. 2018 - 2019
Some target actors are not properly identified and hence targeted by ENRICH dissemination activities	Both	high	high	Esp. 2018 - 2019
Difficulties in finding ENRICH in online search engines	Both	high	high	Esp. 2018 - 2019
<b>Risk Category 2: Low demand for services</b>				
A service has not been requested at least once per year	China	high	very high	ongoing
Number of registered participants for a service is too low to be implemented without financial losses	Both	high	high	ongoing
Overall sale of services is not meeting the planned amount of requests for the year	China	high	very high	from 2019 onwards

BUSINESS SUCCESS				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
<b>Risk Category 3: Turnover lower than expected</b>				
Losses are higher than expected in 2018	China	low	average	2018
Losses are higher than expected in 2019	China	average	average	2019
Instead of positive numbers ENRICH still is generating losses by 2020	China	high	very high	2020
Self-sustainability endangered by the project end of ERICENA and no further project budget is available	China	average	very high	2020

## 2.4.2 Risk Category 1: Weak visibility of ENRICH

**Case 1:** The initial awareness is very low since ENRICH is a new entity.

### Potential Impact

Hardly any services are demanded causing very low revenue flows for ENRICH while simultaneously having ongoing costs to cover.

### Contingency Measures

- a) Continuous dissemination and extension of dissemination to new platforms.
- b) Motivate partners to better promote ENRICH in their own networks.

### Partners involved

EBN, SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Some target countries/regions are only partly covered by ENRICH dissemination activities.

### Potential Impact

Although interest might be there the target groups will not hear about ENRICH. It will be difficult to meet the planned numbers of services.

### Contingency Measures

- a) Assign project partners to be responsible for specific regions or countries and the dissemination of services here.

- b) Geographical coverage and corresponding responsibilities must be clear for all project partners.

**Partners involved**

EBN, SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee)

**Case 3:** Some target sectors are only partly covered by ENRICH dissemination activities.

**Potential Impact**

Although interest might be there the target groups will not hear about ENRICH. It will be difficult to meet the planned numbers of services.

**Contingency Measures**

Assign project partners to be responsible for specific sectors and the dissemination of services.

**Partners involved**

EBN, SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 4:** Some target actors are not properly identified and hence targeted by ENRICH dissemination activities.

**Potential Impact**

Although interest might be there the target groups will not hear about ENRICH. It will be difficult to meet the planned numbers of services.

**Contingency Measures**

Assign project partners to be responsible for specific actors and the dissemination of services towards them.

**Partners involved**

EBN, SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 5:** Difficulties in finding ENRICH in online search engines.

**Potential Impact**

Potential clients looking for services that are also offered by ENRICH might not find them and are lost as ENRICH clients.

**Contingency Measures**

Allocate budget for search engine optimisation.

**Partners involved**

EBN, SPI.

### 2.4.3 Risk Category 2: Low demand for services

**Case 1:** A service has not been requested at least once per year.

**Potential Impact**

The planned revenue for a service is missing and endangering the financial situation of the centre.

**Contingency Measures**

Evaluate if service can be removed from the portfolio to plan the human resources allocated to this service to more requested services.

**Partners involved**

SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Number of registered participants for a service is too low to be implemented without financial losses.

**Potential Impact**

The planned revenue of this service is missing and endangering the financial situation of the centre.

**Contingency Measures**

- a) Evaluate if service can be implemented with less participants at a different pricing model.
- b) If service should be offered repeatedly: start dissemination earlier and implement it broader.

**Partners involved**

SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Overall sale of services is not meeting the planned amount of requests for the year.

**Potential Impact**

Possible discrepancy in costs and revenues endangering the financial situation of the centre.

**Contingency Measures**

- a) Regular controlling and countermeasures (e.g. offering more services, better dissemination, new partnerships).
- b) Continuous monitoring strategy on accountancy must be put in place.

**Partners involved**

SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

## 2.4.4 Risk Category 3: Turnover lower than expected

**Case 1:** Losses are higher than expected in 2018.

**Potential Impact**

Possible discrepancy in costs and revenues endangering the financial situation of ENRICH in China.

**Contingency Measures**

- a) Careful analysis where losses were made especially, reconsider services with low or no demand.
- b) More demanded services should be reinforced.

**Partners involved**

SPI, IPK, S2i, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Losses are higher than expected in 2019.

**Potential Impact**

Possible discrepancy in costs and revenues endangering the financial situation of the centre.

**Contingency Measures**

- a) Careful analysis where losses were made especially.
- b) Reconsider services with low or no demand.
- c) Put efforts in new revenue strategies (e.g. new partnership/membership models).

**Partners involved**

SPI, IPK, S2i, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Instead of positive numbers, ENRICH still is generating losses by 2020.

**Potential Impact**

Possible discrepancy in costs and revenues endangering the financial situation of the centre.

**Contingency Measures**

- a) Careful analysis where losses were made especially.
- b) Reconsider services with low or no demand.
- c) Put efforts in new revenue strategies (e.g. new partnership/membership models).
- d) Actively apply for getting new revenue streams (public funding).

**Partners involved**

SPI, IPK, S2i, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 4:** Self-sustainability endangered by the project end of ERICENA and no further project budget is available.

**Potential Impact**

Possible discrepancy in costs and revenues endangering the financial situation of the centre.

**Contingency Measures**

- a) Careful analysis where losses were made especially.
- b) Services with low or no demand are not available anymore.
- c) Put efforts in new revenue strategies (e.g. new partnership/membership models).

**Partners involved**

SPI, IPK, S2i, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

## 2.5 Macro-level Factors

### 2.5.1 Overview: Risk Categories for Macro-level Factors

Table 5: Risk Analysis for Macro-level Factors

MACRO-LEVEL FACTORS				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
<b>Risk Category 1: Lack of endorsement by European Commission</b>				
Lack of support due to a shift in EU political priorities	Both	low	high	ongoing
Discrepancies in the understanding of a common strategy for ENRICH in China	EU	low	very high	ongoing
<b>Risk Category 2: Political shift in priorities of the Chinese Government</b>				
Cut-down of financial support for Chinese RDI stakeholders interested in cooperation with EU partners	Both	low	average	ongoing
Increasing preferences of national stakeholders in public projects	Both	average	low	ongoing
Sudden restrictions for EU RDI stakeholders in China (e.g. access to infrastructure)	Both	low	average	ongoing
New RDI priorities that do not match well with EU priorities	Both	average	average	ongoing

MACRO-LEVEL FACTORS				
Case	Relevant for EU or China	Likelihood of Occurrence	Impact for ENRICH	Timeframe
<b>Risk Category 3: China's market attractiveness decreases due to lack of certainty</b>				
China's economic development still gets slower or economy shrinks	Both	average	average	ongoing
Legal situation for foreigners doing business in China changes quickly and makes strategic long-term planning difficult	EU	low	high	ongoing
<b>Risk Category 4: Political/Economic sanctions</b>				
Sudden complications in receiving a visa for RDI visits for the other target region	Both	low	average	ongoing
Cut-down of funding opportunities for EU-China cooperation	Both	average	average	ongoing

## 2.5.2 Risk Category 1: Lack of endorsement by European Commission

**Case 1:** Lack of support due to a shift in EU political priorities.

**Potential Impact**

Decrease of importance of ENRICH.

**Contingency Measures**

Assess alternative support (financial support).

**Partners involved**

SPI, ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Discrepancies in the understanding of a common strategy for ENRICH in China.

**Potential Impact**

False strategy could lead to less impact and success of the ENRICH operation.

**Contingency Measures**

- a) Regular communication and exchange with EC.
- b) Regular communication among ENRICH in China owners.



**Partners involved**

SPI, ENRICH (Chinese) owners (in the first stage of the process ERICENA Steering Committee).

**2.5.3 Risk Category 2: Political shift in priorities of the Chinese government**

**Case 1:** Cut-down of financial support for Chinese RDI stakeholders interested in cooperation with EU partners.

**Potential Impact**

Less interest in EU-China RDI cooperation support services could endanger the existence of ENRICH.

**Contingency Measures**

Examine if other regional/local funds are available

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Increasing preferences of national stakeholders in public projects

**Potential Impact**

Less interest in EU-China RDI cooperation support services could endanger the existence of ENRICH.

**Contingency Measures**

Highlight other cooperation opportunities.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 3:** Sudden restrictions for EU RDI stakeholders in China (e.g. access to infrastructure).

**Potential Impact**

Less interest in EU-China RDI cooperation support services could endanger the existence of ENRICH.

**Contingency Measures**

Highlight other cooperation opportunities.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 4:** New RDI priorities that do not match well with EU priorities.

**Potential Impact**

Less interest in EU-China RDI cooperation support services could endanger the existence of ENRICH.

**Contingency Measures**

Focus on remaining joint priorities and individual requests.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

### 2.5.4 Risk Category 3: China's market attractiveness decreases due to lack of certainty

**Case 1:** China's economic development still gets slower or economy shrinks.

**Potential Impact**

Less interest in EU-China RDI cooperation support services could endanger the existence of ENRICH.

**Contingency Measures**

There should still be enough market potential for EU-China cooperation.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Legal situation for foreigners doing business in China changes quickly and makes strategic long-term planning difficult.

**Potential Impact**

Less interest in EU-China RDI cooperation support services could endanger the existence of ENRICH.

**Contingency Measures**

- a) Collaborate with lawyers and other experts on legal issues to provide the best advice to clients.
- b) Maintain a continuous monitoring in critical developments.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

### 2.5.5 Risk Category 4: Political/Economic sanctions

**Case 1:** Sudden complications in receiving a visa for RDI visits for the other target region.

**Potential Impact**

Less interest in EU-China RDI cooperation support services could endanger the existence of ENRICH.

**Contingency Measures**

Collaborate with experts to provide the best advice to clients.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

**Case 2:** Cut-down of funding opportunities for EU-China cooperation.

**Potential Impact**

Less interest in EU-China RDI cooperation support services could endanger the existence of ENRICH.

**Contingency Measures**

Identify alternative funds.

**Partners involved**

ENRICH in China owners (in the first stage of the process ERICENA Steering Committee).

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## Conclusions and Outlook



### 3. Conclusions and Outlook

This report aimed to identify, assess and evaluate the associated risks followed by the allocation of necessary resources to monitor, control, and minimise any adverse impacts of undesirable events. The Contingency Plan and Risk Analysis presented in this report is a fundamental piece for ENRICH in China's monitoring and evaluation system, as well as for an exceptional operation of the Centre.

ENRICH in China's Risk Analysis and Contingency Plan, together with the progress of its strategy implementation and performance of operational activities, will be aggregated and discussed in regular monitoring and performance management meetings. Having a solid risk management is also required to adjust Key Performance Indicators accordingly. Additionally, in order to manage the project's risks in accordance to the process and assessment instruments as defined above, a risk register will be set up for the next years of the project that will be continuously updated, reviewed, and re-assessed.